

### **Eligibility of Selected For-Profit Rural Health Providers**

**The Commission has discretion under the Telecommunications Act to conclude that certain rural For-Profit Entities are eligible for Universal Service support as “public health providers.”**

- Section 254(b)(3) prioritizes the promotion of advanced telecommunications and information services specifically in “rural, insular, and high cost areas.”
- Section 254(c)(3) provides that services essential to public health or public safety should be considered when the Commission establishes which services will receive universal service support.
- The Commission has noted that “in addition to Section 254, our core statutory mandate, as set out in 47 U.S.C. § 151, states . . . we should make ‘available, so far as possible, to all the people of the United States . . . a rapid, efficient, Nation-wide . . . wire and radio communications service with adequate facilities at reasonable charges, for the purpose of national defense, [and] for the purpose of promoting safety of life and property through the use of wire and radio communication.’”<sup>1</sup>
- The Commission “may clarify the types of entities that fit within [the] seven [eligibility] categories.”<sup>2</sup>

**The Commission has recognized that certain for-profit entities – rural Emergency Departments – may be eligible for Universal Service support under section 254(h) as “public health providers.”**<sup>3</sup>

**For-profit health care providers are integral to the delivery of health care in rural areas; many share characteristics the Commission recognized in concluding that EDs in rural for-profit hospitals were eligible as rural health clinics:**

- Provide care in underserved communities and serve a relatively high percentage of Medicare and Medicaid beneficiaries;
- Often the only health providers in remote areas (compensating increasingly for loss of other types rural health providers such as Critical Access Hospitals<sup>4</sup>);
- Provide a broad spectrum of care often including acute care and sometimes including emergency care;
- Provide chronic disease management, and other preventative care essential to general public health and welfare;
- Essential to an effective response in the event of a natural disaster or other national public health emergency.

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<sup>1</sup> See 2003 Rural Health Care Support Mechanism, Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 18 FCC Rcd 24546, ¶ 10.

<sup>2</sup> *Id.* at ¶ 16.

<sup>3</sup> *Id.* at ¶¶ 13-14. The Commission found that Emergency Departments (EDs) in for-profit hospitals “are ‘public’ in nature by virtue of the persons they are required [by law] to examine and/or treat for emergency medical conditions.” In classifying rural EDs as “rural health clinics” under the Telecommunications Act, the Commission noted that rural EDs:

- Are the only ambulatory care entities that serve the public on a 24/7 basis;
- In many cases are the only health care providers in rural areas serving the medical needs of the community;
- Provide the types of medical services often provided in traditional health clinics;
- Promote timely access to acute specialty healthcare services, chronic disease management programs and other preventive services essential to public health and safety;
- Generally the initial point of entry into the healthcare system for any person suffering the consequences of a severe catastrophe or accident and constitute a vital segment of the health care community, particularly in the event of a national public health emergency.

<sup>4</sup> Cf. 2010 Rural Health Care Support Mechanism, Notice of Proposed Rulemaking, FCC 10-125, ¶ 123 (rel. Jul. 15, 2010) (citing CDC report of decreasing number of rural acute care facilities).